

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Industrial Promotion – Application and processing of raw materials (coal) through Information Technology enabled platform with an aim to improve the ease of doing business in the State of Andhra Pradesh as per various Industrial Policies for industrial units established in the state of Andhra Pradesh – Orders - Issued.

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INDUSTRIES & COMMERCE (POLICY & INVESTMENT) DEPARTMENT

G.O.MS.No. 155

Dated: 03-11-2016
Read the following:

1. G.O.Rt. No. 192, Inds & Com. (MSME) Dept., dated. 26-03-2012.
2. G.O.Rt.No.408, Inds & Com. (MSME) Dept., dated. 28-06-2012.
3. G.O.Rt.No. 332, Inds & Com. (MSME) Dept., dated. 21-05-2013.
4. Circular No: 11-1-5-0006-0006/FD dated 27.06.2011.
5. Circular No: 11-1-2005-0006-0006-FD dated 27.06.2011.
6. Circular No: 11-1-2005-0006, dated 20.07.2010.
7. Circular No. 11-1-5-0006, dated 21.06.2008.
8. New Coal Distribution Policy, Ministry of Coal, Government of India, dated 18.10.2007.

ORDER

Although India has developed sufficient capacities for coal, Micro Small and Medium Enterprises (MSMEs) facing difficulties in sourcing coal from the open market. The Department of Industries, Government of Andhra Pradesh makes recommendations to allot coal to industrial units in Andhra Pradesh. Before bifurcation of Andhra Pradesh State, MSMEs sourced coal from M/s. Singareni Collieries Company Limited (SCCL) and in some cases from Coal India Limited (CIL). After bifurcation, Government of Andhra Pradesh has designated Andhra Pradesh Mineral Development Corporation Limited (APMDC) as the nodal agency for coal sourcing in the State. However, presently coal is sourced through M/s. Singareni Collieries Company Limited(SCCL).

1. In the G.O. 1st read above, the Government have issued orders directing the Managing Director, Andhra Pradesh Mineral Development Corporation Limited, Hyderabad and Commissioner of Industries, Andhra Pradesh to take up action in making Andhra Pradesh Mineral Development Corporation Limited as nodal agency for supply and distribution of coal to the MSME sector from quantity allocated by Coal India Limited for Andhra Pradesh State for the year 2011-12.

2. In the G.O. 2nd read above, orders were issued for appointment of APMDC as a nodal agency for supply and distribution of coal to MSMEs from Mahanadi Coal Field Limited allocated by the Coal India Limited for Andhra Pradesh State for a period of 5 years from 2012-13 to 2017-18.

4. In the G.O. 3rd cited, the Government have issued orders directing the Andhra Pradesh Mineral Development Corporation Limited, to continue as Nodal agency for supply and distribution of coal to the MSME sector for the quantity allocated by Coal India Limited for Andhra Pradesh.

5. At present, the application for coal is initiated manually by an industrial unit and processed offline by the Government. Units submit their application for coal allotment along with the required supporting documents in the Office of the General Manager, District Industries Centre (GMDIC) of the respective District in hard copies. The District Industrial Promotion Committee (DIPC) under chairmanship of the District Collector scrutinizes the proposal with the inspection report of District Industries Centre (DIC) as per technical norms

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specified by the State Government vide references 4th, 5th, 6th mentioned above and provides recommendation to Director / Commissioner of Industries for coal quantity over and above 100 MT per month.

6. Andhra Pradesh has achieved the distinction of being the 2nd ranked State in India for Ease of Doing Business as per the DIPP - World Bank ranking for the year 2015. In continuation with business reform action plan and focus on technology driven improvements in Government procedures, Industries & Commerce Department has come up with a proposal to route the application and processing of coal allocation through the Single Desk Portal (SDP) in line with the Andhra Pradesh Single Desk Policy 2015.

7. In line with the above, it is proposed to move to a new online system of coal allocation facilitated through the Single Desk Portal (SDP). Single Desk Portal will ensure authenticity of transactions through Digital Signatures and One Time Password (OTP) based authentication. The number of documents to be uploaded is minimised and the provision of self-certification by the Unit is being introduced through this Government Order. The proposed new system shall eliminate the need to physically visit the Department for seeking coal allotment recommendation. The step by step process for online application is available in Annexure I appended to this G.O. The measures proposed in this G.O. are as follows:

(a) For Fresh Allotments of coal

- (1) An applicant will be required to fill an online 'Common Application Form' (Annexure II) to provide enterprise details and a 'Self-Assessment Form' (Annexure III) to assess the amount of coal to be allocated.
- (2) A self-declaration (Annexure IV) will need to be made to accept liability and penalization in case of misuse by the Unit.
- (2) Upon successful submission of the aforementioned forms, a pre-signed 'Recommendation Letter' specifying the coal quantity will be auto generated. On the basis of the quantity of coal to be allotted, the recommendation letter shall be pre-signed in the name of:
 - GMDIC for recommended quantity <100 MT per month
 - Additional Director, Directorate of Industries for recommended quantity 101-350 MT
 - Director / Commissioner of Industries for recommended quantity >350 MT
- (3) This recommendation shall have validity linked with that of the validity of Consent for Operation / Establishment (CFO / CFE) certificate of the unit.

(b) For existing allotments of coal

- (1) In case of units having valid existing recommendations, it is proposed that such Units also fill the Common Application Form (CAF) on SDP and upload the scanned copy of the manual recommendation letter **within 60 days** of the release of this GO.

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- (2) The unit will also need to fill in the self-assessment form. In case of difference between the existing approved quantity and quantity assessed on Single Desk Policy, recommendation for the lower quantity shall be auto-generated. On successful submission, a recommendation linked to the validity of the Consent for Operation (CFO) certificate shall be auto-generated.

(c) Process at SCCL / APMDC

- (1) A copy of the auto-generated recommendation letter is sent to SCCL and Andhra Pradesh Mineral Development Corporation Limited (APMDC) through an auto-generated mail. Applicants shall approach APMDC / SCCL with the recommendation letter and make the necessary payment to obtain a Sale Order.
- (2) APMDC / SCCL should take a security deposit from the applicants in form of Earnest Money Deposit (EMD) issued by a commercial bank and valid for a period of 1 year. Every year, this security deposit shall be renewed. The security deposit shall be as follows:

Year	No payment default	Payment Default
1 st Year	5% of previous year consumption	5% of previous year consumption
2 nd Year	5% of previous year consumption	5% of previous year consumption
3 rd Year onwards upto the validity of CFO certificate	3% of previous year consumption	5% of previous year consumption
New units that have started operations within the year	5% of current year recommendation. 2 nd year onwards the above shall apply	

(d)Review and Monitoring

- (1) After, a "Recommendation Letter" has been issued, units will be required to update coal consumption along with production details on monthly basis.
- (2) Units must provide these details for a month by the end of the next month.

(e)Remedial Measures / Penalty

- (1) Department of Industries is empowered to carry out random audits / inspections or may engage a third party to do so. In case of false self-certification by the Unit, following penalty shall be imposed.
- Recovery of the amounts between administered price (price at which coal is allocated) and the e-auction price (price at which coal is sold in the open market). e-auction price shall be price of
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the latest coal e-auction held by Singareni Collieries Company Limited (SCCL) for the grade of coal procured by the Unit.

- Revocation of the recommendation in case the Unit is found to be involved in fraudulent practices.

- (2) In case the unit has to stop production temporarily and does not need coal for a certain period, the unit shall select the months for which no coal is needed on the portal. The system will auto generate a notification to SCCL directing it not to allot coal to the particular unit for a given period. The allotment shall be in abeyance for the period and resume for future months only if self-certification is resumed online.

8. The Director of Industries and General Managers, District Industries Centre are directed not to accept any application offline / hard copies and process the application as per the guidelines enclosed to this order.

9. This Government Order shall supersede all the G.Os. /Circulars of Directors / Commissioners in regards to allotment / recommendation of coal in the State of Andhra Pradesh.

10. These orders shall come into force from the date of hosting of the online software application for 'Raw Materials Allocation' on the Single Desk Portal (SDP).

11. The Director of Industries, Andhra Pradesh, Hyderabad shall take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIARAJ
SEC RETARY TO GOVERN MENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To

The Director of Industries, Andhra Pradesh, Hyderabad.

Copy to

The Finance(FMU.Rev.IC) Department.

The Accountant General, Andhra Pradesh, Hyderabad.

The Pay and Accounts Officer, Ibrahimpatnam, Krishna District.

The Director of Treasuries and Accounts, Ibrahimpatnam, Krishna District.

All District Collectors through the Director of Industries, Hyderabad.

All Heads of Departments through Director of Industries, Hyderabad.

Heads of SCCL and APMDC.

The General Managers, District Industries Centre through Director of Industries, Andhra Pradesh, Hyderabad.

The P.S. to Chief Secretary to Government

All Private Secretaries to the Ministers.

The P.S. to Prl. Secretary to Chief Minister.

The P.S. to Secretary &CIP.,

//FORWARDED::BY ORDER//

SECTION OFFICER

(Contd.. for Annexures)

ANNEXURE – I

(G.O.Ms.No.155, Ind. & Com. (P&I) Deptt., Dated: 03.11.2016)

Procedure to be followed on Single Desk Portal for raw material allotment of coal:

1. Units need to apply through the Single Desk Portal (SDP) at www.apindustries.gov.in for applying for coal raw material.
2. **Units not yet registered on SDP:**
 - a. Units not registered in SDP need to first register on it.
 - b. A unique User ID and Password shall be generated and communicated via email and SMS.
 - c. Units shall use the SDP login credentials to log into SDP and navigate to the 'Raw Materials' allocation section.
3. **Units already registered on SDP:**
 - a. Registered Units shall login and navigate directly to the 'Raw Materials Allocation' section.
4. Once registered on SDP, all Units shall be identified through their user id and password and all transactions authenticated through an OTP (One Time Password) sent on the mobile number provided at the time of registration.
5. **Units** are required to fill the Common Application Form (CAF) as mentioned in Annexure II.
6. **Units already having a valid recommendation** issued earlier, shall also fill the assessment form. Additionally such Units shall also provide the CFO expiry date, recommendation expiry date, recommended quantity & grade and also upload a scanned copy of the recommendation.
7. All the relevant documents as indicated on the SDP, shall be scanned and uploaded along with the CAF. No hard copy is required to be submitted in the District Industries Centre.
8. All applicants shall fill in the online 'Self-assessment' form which will auto-calculate the quantity of coal that can be allotted based on various input parameters as mentioned in Annexure III.
9. District Industries Centre will facilitate any technical support with respect to scanning of documents and uploading them on the Single Desk Portal (SDP).
10. Document copies that are already existing in the Single Desk Portal (SDP) shall be auto uploaded.
11. All applicants should provide a 'Self-declaration' confirming that details entered are correct, as mentioned in Annexure IV. Department may mandate the application to be digitally signed by the Units at a later stage.
12. After successful submission of the application, an auto generated pre-signed 'Recommendation Letter' with validity same as that of the CFO certificate will be generated and shall be available for download by the Unit. A copy of the recommendation letter will also be auto-forwarded to SCCL / APMDC.
13. After a recommendation letter is auto-generated, the department may ask for additional information or clarifications in case of any shortfall. The same will be communicated to the Unit through:
 - a) SMS to the mobile of the authorised representative from the Unit
 - b) Email Id of the authorised representative from the Unit
 - c) Entrepreneur dashboard in Single Desk Portal (SDP)

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- 14.If the department is not satisfied with the uploaded documents / additional information provided, the recommendation may be revoked. The department may also issue a revised allotment letter and also inform SCCL / APMDC about the same. The previous allotment letter shall become null and void in that case. Only downward revision can be done. For upward revisions, fresh applications shall be filed.
- 15.All Units will need to provide production and consumption details along with the actual quantity allotted by SCCL monthly on the Single Desk Portal.
- 16.Units shall be flagged in case of mismatch between the submitted returns and recommended quantity beyond a defined tolerance value (+/- 20% difference between recommended value and last 3 months moving average of consumption). Additionally, in case the Unit fails to provide consumption details for more than month, the unit shall be flagged. Department may decide to carry out inspection of the unit. Department may also carry out random audits for any unit.
- 17.Once the validity of the CFO certificate expires, a fresh application will need to be raised for further allotment.
- 18.In case of capacity expansions, a new application will need to be filled.
- 19.Upon generation of a new recommendation letter in case of expansion of a project / change in coal requirement, the previous recommendation shall become null and void.

SOLOMON AROKIJARAJ
SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

Annexure-II

(G.O.Ms.No.155, Ind. & Com. (P&I) Deptt., Dated: 03.11.2016)

Common Application Form

- A. Application for Raw Material_____ (Coal)
- B. Do you already have a valid recommendation: _____ (Yes /No)
- C. If Yes:
- a. CFO expiry date _____
- b. Recommendation expiry date_____
- c. Recommended quantity _____ (MT), Grade _____
- d. Upload recommendation copy _____

1	Name & Address of the Industry	
	A) Factory Address	
	B) Office Address	
2	PMT SSI Regn. / IEM / EM No or UAM & Date	
3	Date of Commencement of Production	
4	Line of Manufacture:	
5	Employment	
6	CAPITAL INVESTMENT: A) Land: B) Building C)Machinery	
7	A) Installed Production Capacity (PA / PM) B) Present Operating Capacity (PA / PM)	
8	Details of furnace / boilers etc., where coal/ fire wood / rice husk to be used: A) Type of equipment with Technical Details: B) Its rated capacity C) Consumption for Coal per shift:	

9. Quantity of raw material applied for per month _____ (MT)<linked to self-assessment form>

10. Production and Sales particulars for the last three years for Coal

Year	Production	Sales Turnover (Rs)	Excise duty paid (Rs)	APGST / CST Paid (Rs.)	From Singareni Collieries Co. Ltd.	Other sources - Imported Coal/ Indigenous Coal	Other sources- fire wood / rice husk / furnace oil /other fuels	Consumption of coal for unit production
	Quantity (MTS)							

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The following documents needs to be uploaded by the applying Unit(in case any certificate mentioned below is already available on SDP, it shall be auto-uploaded):

- a. Copy of IEM part b / UAM (UdyogAadhaar Memorandum)
- b. Copy of VAT / Central Excise license wherever applicable
- c. Copy of valid Boiler license wherever applicable
- d. Copy of CFO from APPCB or Acknowledgement from Industries Department (Other than polluting industries) or copy of acknowledgement for renewal of CFO along with earlier CFO
- e. Copies of other statutory licenses like Drugs administration, Food & Public Distribution, Prohibition & Excise
- f. Factory license
- g. Plan approval by APILC, IALA.
- h. In case of rented premises, a registered rent agreement on a non-judicial stamp paper for a period of minimum 3 years.
- i. A certification from a practicing CA, giving the details on the quantity of coal procured/purchased and payment made thereof.

Annexure III

(G.O.Ms.No.155, Ind. & Com. (P&I) Deptt., Dated: 03.11.2016)

Applicant Online Self-assessment Form

The applicant (Unit) will be required to fill an online self-assessment sheet which will be attached with the application form. The self-assessment sheet will calculate the estimated amount of coal that can be recommended based on usage, equipment ratings, actual consumption and technical norms developed by the department.

Applicant (Unit) Input Parameters (Coal Unit - Tonnes / month, Production unit - As per technical norms)				
Have you started production?				
Coal Usage for (boiler / kiln)				
Technical details of equipment				
Boiler Rating in Sq. m.				
Number of Shifts				
Category				
Sub Category				
Avg. Production per month as per sales tax returns				
Avg. Production per month as per central excise returns				
Avg. Production per month as per operating capacity				
Production per month as per Installed capacity				
Production per month as per capacity furnished in CFO of APPCB				
Unit of production as per technical norms				
Consumption of coal as per manufacturer's specification of equipment per month				
Actual consumption of coal per month (Coal from SCCL)				
Actual consumption of coal per month (Imported Coal)				
Actual consumption of rice husk per month				
Actual consumption of firewood per month				
Actual consumption of furnace oil per month				
Actual consumption of other fuel per month				
Total Actual Consumption of coal / firewood / rice husk / furnace oil / others				
Technical norm as per consumption based on manufacturer's specification of equipment per month				
Technical norm as per actual consumption of coal / firewood / rice husk / furnace oil / others				
Technical norm of the department as per production				
Consumption as per boiler rating and no. of shifts				
Boiler license expiry date				
Recommended Quantity: Coal				
Grade	Grade C	Grade D	Grade E	Grade F
Recommended Quantity				

Annexure IV

(G.O.Ms.No.155, Ind. & Com. (P&I) Deptt., Dated: 03.11.2016)

Applicant(Unit) self-declaration prior to Application

I, _____, am the Proprietor / Managing Director / Director of
M/s _____ and manufacture
_____.

I declare that the details provided in the self-assessment form is correct.

I further declare that the coal quantity allotted by Government of Andhra Pradesh will be used only as a raw material for manufacturing process and in no other manner. We shall not misuse the scarce raw material released by the concerned authority for any other purpose.

I further declare that details of coal consumption and production details will be submitted on Single Desk Portal every month.. I hereby accept the responsibility of on a monthly basis in a timely manner.

I further declare to extend all cooperation to the Inspection teams including any third party empanelled by Government of Andhra Pradesh as and when required and also provide full details of production receipt of coal, consumption / utilization of coal and the balance quantity of coal and any other detail sought by the Inspection team.

I hereby accept that if any misuse is detected by the Inspection Team / Industries Department / Vigilance Department, I shall be liable for penal action as per the rules / norms in vogue including but not limited to blacklisting for permanent allotment of coal, which shall make me and / or our unit ineligible for any further allotments of the scarce raw material in the future.